

1 On RB/PB Exhibit 7?

2 MR. PEDIGO: Yes, Your Honor. And it is really  
3 just in the preprinted form, where it says \$15 per unit for  
4 two sites, that should say \$18.

5 JUDGE STEINBERG: Okay. But we will leave page 89  
6 of, alone.

7 MR. PEDIGO: Oh, yes, Your Honor. Eighty-nine is  
8 fine, yes, Your Honor. Eighty-nine is accurate.

9 JUDGE STEINBERG: That is what I thought I  
10 understood you to say.

11 BY MR. PEDIGO:

12 Q All right. Mr. Hill, have you had a chance to  
13 look at both of those documents?

14 A Yes, I have.

15 Q Do you see where, on Exhibit 7, it talks about  
16 there is service at the Dallas and the Allen site, is that  
17 correct?

18 A Yes.

19 Q Okay. Do you see that they have charged four  
20 units at \$18 per unit for a \$72 monthly fee. Can you see  
21 that, on Exhibit 7?

22 A Yes, I do.

23 Q Now, if you compare that to page 89 of Exhibit 8,  
24 do you see how that information has been included on this  
25 chart?

1 A Yes, I do.

2 Q And the amount, as you have previously testified,  
3 is the four units. Is that correct?

4 A Correct.

5 Q And it has \$15 for the Dallas site, and three  
6 dollars for the Allen site, is that correct?

7 A Yes.

8 Q And if we multiply the four units times the three  
9 dollars for the Allen site, is that where we come up with  
10 the \$12 revenue number?

11 A Yes, it is.

12 Q And is that \$12 revenue number, then, was that --  
13 in your understanding, that is what was used to compute the  
14 revenue number on page two of Exhibit 89.

15 A Yes, it is.

16 Q So if someone was to ask a question can revenues  
17 be tied directly to particular sites, what would be your  
18 answer?

19 A Yes, it could.

20 Q And also by looking at --

21 JUDGE STEINBERG: Wait a minute, wait a minute.

22 There is nothing on the face of Exhibit 7 that ties anything  
23 to a specific site. Is that correct, Mr. Hill? Where on  
24 Exhibit 7 does it say \$15 for Dallas, three dollars for  
25 Allen?

1 THE WITNESS: Well, I do not see the numbers  
2 actually specified for that. I just see that Dallas and  
3 Allen are listed as service sites.

4 JUDGE STEINBERG: I mean, why couldn't it be three  
5 dollars for Dallas and \$15 for Allen?

6 MR. PEDIGO: Well, Your Honor, if you would look  
7 at --

8 JUDGE STEINBERG: No, I am asking the witness.

9 MR. PEDIGO: Well, then, let me, because I can --

10 JUDGE STEINBERG: Oh, are you objecting?

11 MR. PEDIGO: Yes, Your Honor. Because, I mean, I  
12 am going to clear this up.

13 JUDGE STEINBERG: Well, I am trying, I am just  
14 saying to the witness look at Exhibit 7. Why can't it be --  
15 because the answer to the question was yes, you can tell  
16 that it is \$15 for Dallas and three dollars for Allen. And  
17 I am just saying where on Exhibit 7 does it say that? The  
18 answer was, I think, it does not, is that correct? From, I  
19 am asking Mr. Hill.

20 MR. PEDIGO: Well, Your Honor, if I may, because  
21 page three, I was going to get to page three of Exhibit 7.

22 JUDGE STEINBERG: Well, we might do that later.  
23 But we are looking at page one of Exhibit 7.

24 THE WITNESS: On page one of Exhibit 7, I cannot  
25 see that \$15 is attributable to Dallas and three dollars is

1       attributable to Allen.

2               JUDGE STEINBERG: And so it is possible that \$15  
3       is attributed to Allen and three dollars to Dallas.

4               THE WITNESS: Based on the information on page one  
5       of 7.

6               JUDGE STEINBERG: I mean, you just flat out do not  
7       know.

8               THE WITNESS: That would be right.

9               JUDGE STEINBERG: And page 89 was generated by Pat  
10       Brasher, is that correct?

11              THE WITNESS: Yes.

12              JUDGE STEINBERG: And she could have written  
13       anything she wanted to in the Dallas column, and anything  
14       she wanted to in the Allen column. Is that correct?

15              THE WITNESS: Yes.

16              JUDGE STEINBERG: And you do not know whether it  
17       is accurate.

18              THE WITNESS: Correct.

19              JUDGE STEINBERG: Only Pat Brasher knows.

20              THE WITNESS: Right.

21              JUDGE STEINBERG: I think we are, I think these  
22       questions are beyond the personal knowledge of this witness.  
23       And, I mean, take a look at page three of Exhibit 7. Do you  
24       have any idea what that is?

25              THE WITNESS: I have not seen it before.

1 JUDGE STEINBERG: Do you have any idea what it is,  
2 from looking at it?

3 THE WITNESS: No.

4 JUDGE STEINBERG: I think, I am going to ask you  
5 to move on to something, to change topics, because I think  
6 we are going beyond the scope of the personal knowledge of  
7 this witness. And I do not think he is competent to clear  
8 this matter up.

9 He testified as to what he did, based upon what he  
10 was given. And that is the extent of the examination by  
11 Mr. Romney. And if you have got further questions about  
12 that, then ask them. And if not, then we can move on to  
13 Mr. Romney's redirect.

14 MR. PEDIGO: All right. Well, then, let me --

15 JUDGE STEINBERG: Okay.

16 MR. PEDIGO: I do want to sharpen his response a  
17 little.

18 BY MR. PEDIGO:

19 Q It is clear, Mr. Hill, that you can tell from page  
20 one of Exhibit 7 that there was service at Dallas and Allen,  
21 is that correct?

22 A Yes.

23 Q And that the total fee was \$18, is that correct?

24 A Yes.

25 Q And when you compare that to page 89 -- well, and

1 also on Exhibit 7 it shows that there were four units for a  
2 total charge of \$72, is that correct?

3 A On what?

4 Q On page one of Exhibit 7.

5 A Yes.

6 Q Now, when you look at page 89, does this also  
7 indicate there are four units, and there is service at  
8 Dallas and Allen? Is that --

9 A On page 89 of --

10 Q Yes, for account 2347.

11 A Yes. The information on page 89, I don't see  
12 anything on Exhibit 7 that would, that is inconsistent with  
13 what is on page 89.

14 Q Right. And I apologize, whether it was \$15 or  
15 three dollars for Allen or Dallas, all you were relying on  
16 was your client's schedule for that.

17 A Yes.

18 Q And if Dallas was the home channel, or was not,  
19 you do not know that; only people familiar with DLB's  
20 pricing architecture would know that information. Is that  
21 correct?

22 A That is correct.

23 Q Okay.

24 MR. PEDIGO: Just a minute, Your Honor. I think -

25 -

1 (Pause.)

2 BY MR. PEDIGO:

3 Q The accounting or the chart of accounts that is  
4 used in the business, it is your understanding that was,  
5 well, that was in place before you got there. Is that  
6 correct?

7 A There was a chart of accounts in place when I took  
8 over the bookkeeping that we utilized to set up their  
9 current chart of accounts.

10 JUDGE STEINBERG: What was that word? Chart?

11 MR. PEDIGO: Chart of accounts, Your Honor.

12 JUDGE STEINBERG: C-H-A-R-T?

13 MR. PEDIGO: Yes, Your Honor.

14 JUDGE STEINBERG: Why don't you explain that to  
15 me? What that means.

16 BY MR. PEDIGO:

17 Q Mr. Hill, if you could tell us what a chart of  
18 accounts is.

19 A Sure. It's a list of accounts used to accumulate  
20 bookkeeping information. For instance, your expense  
21 accounts would include things like supplies, payroll  
22 expense, office expense, rent. There is generally a number  
23 assigned to each account. And then when you enter a check  
24 into a bookkeeping system, you would select which account to  
25 assign that particular expense to.

1           There are, you know, of course you would have  
2   balance sheet accounts, an account for each type of asset,  
3   for each type of liability, for each type of equity,  
4   revenue, and expense.

5           Q     Are you familiar where the fees received for the,  
6   running the repeaters are further divided into revenues by  
7   system?

8           A     Yes, I am.

9           Q     Could you tell us your understanding of how the  
10   revenues are broken up in that regard?

11          A     Going from memory here, there are, I believe,  
12   three, perhaps four revenue accounts set up for the  
13   repeaters. There are specific names. I know one of them is  
14   for 900 megahertz repeaters. There is one I believe that is  
15   for T-Band. And I can't recall from memory the others, but  
16   there are, like I say, three or four different revenue  
17   accounts used for that.

18          Q     Was that accounting system in place when you  
19   became the accountant?

20          A     Yes, it was.

21          Q     Is there a further subdivision of those accounts  
22   into, for example, the service sites?

23          A     Not in the chart of accounts, no.

24          Q     And for example, if according to your page two of  
25   your compilation, there was expense and revenue in 1996 for



1 Allen, is that correct?

2 A Yes.

3 Q So the accountant who was involved in 1996 would  
4 have set up the books that you are now using, is that  
5 correct?

6 A Yes.

7 Q Have you seen any traces where the revenues were  
8 further divided for let's say the T-Band system by repeater  
9 site?

10 A No, I haven't.

11 Q If you look at the first page of Exhibit 1, what  
12 is the --

13 JUDGE STEINBERG: Exhibit 1?

14 MR. PEDIGO: I am sorry, Exhibit 7.

15 BY MR. PEDIGO:

16 Q If you could look at the bottom left. What  
17 writing do you see there?

18 A The bottom left, I see LW/WS/T-Band bill.

19 Q So is it your understanding this is an invoice  
20 that sent to this, a customer, this customer 2347 for T-Band  
21 services?

22 MS. LANCASTER: Your Honor, I am going to object.  
23 We are way out of the scope of direct exam. And there has  
24 not been any testimony -- there is no foundation for that  
25 question. There has not been any testimony that this

1 witness has ever seen a form like this.

2 JUDGE STEINBERG: Well, I --

3 MS. LANCASTER: Much less interpreted what is on  
4 it.

5 JUDGE STEINBERG: I agree with Ms. Lancaster. I  
6 think we are getting far afield, and that the first line of  
7 the first page below the, what looks like the heavy black  
8 magic marker, says T-Band --

9 MR. PEDIGO: All right, Your Honor.

10 JUDGE STEINBERG: But, I mean, let's -- I do not  
11 think this witness is competent to answer these questions.

12 MR. PEDIGO: Your Honor, to the extent this calls  
13 for some detailed knowledge about their accounting system, I  
14 wanted to sort of plumb this area while he is here.

15 JUDGE STEINBERG: Well, I will tell you what. Why  
16 don't you, after Ms. Lancaster is finished -- no, that would  
17 not be fair, because you did not -- did you notice this  
18 witness for direct examination?

19 MR. PEDIGO: No, Your Honor.

20 JUDGE STEINBERG: Okay. So then you cannot have  
21 direct examination of him. And, I mean, this, to me, you  
22 know, has the odor of direct examination, and an attempt  
23 to -- well, I am not going to say what your attempt is,  
24 because I do not want to read minds.

25 But I think we are going way beyond the scope of

1 cross-examination. And I am going to ask you to --

2 MR. PEDIGO: All right, Your Honor.

3 JUDGE STEINBERG: -- either ask something else, or  
4 just say you do not have anything else.

5 MR. PEDIGO: Okay. I have one last area I want to  
6 ask about.

7 BY MR. PEDIGO:

8 Q On page two of your exhibit, the net profit number  
9 you computed there.

10 A Yes.

11 Q Okay. That is based on the revenue and expenses  
12 that you previously testified about. If there were even  
13 other expenses that could be tied to the Allen Repeater  
14 systems or the licenses used there, what would that do to  
15 the bottom-line number?

16 MS. LANCASTER: Your Honor, I am going to object  
17 on the basis of speculation. He is asking him to speculate  
18 what he would do, if there were some mysterious other  
19 expenses that he knows nothing about.

20 JUDGE STEINBERG: Overruled.

21 BY MR. PEDIGO:

22 Q What would that do to the bottom-line  
23 profitability of the Allen Repeater site if there were even  
24 more expenses that the preparer of these documents had asked  
25 you to include?

1           A     If we put in additional expenses, it would  
2     increase the net loss.

3           MR. PEDIGO:  No further questions, Your Honor.

4           JUDGE STEINBERG:  Mr. Romney?

5                         REDIRECT EXAMINATION

6           BY MR. ROMNEY:

7           Q     You are familiar with the tax reporting that DLB  
8     Enterprises uses?

9           A     Yes, I am.

10          Q     Are they a C corporation or a subchapter S  
11     corporation?

12          A     They are a C corporation.

13                 MS. LANCASTER:  Your Honor, I am going to -- what  
14     are we doing?  Is this -- this is redirect.  Can he bring in  
15     new -- I do not know what the procedure is, whether we can  
16     delve into other subjects at this point.

17                 JUDGE STEINBERG:  Well, I think that redirect is  
18     to clarify or expand upon matters asked in, asked by  
19     opposing counsel in cross-examination.  And I think,  
20     unfortunately, there were a lot of questions about tax  
21     returns and stuff.  So I think this is a fair redirect.  It  
22     depends on how far it goes.

23                 MR. ROMNEY:  No further questions, Your Honor, on  
24     redirect.

25                 MR. PEDIGO:  You are a mind-reader.  Contagious

1 from the Judge.

2 JUDGE STEINBERG: Well, that completely fooled me,  
3 I will tell you. I did not think it was possible for anyone  
4 in this room to ask just one question. They are like potato  
5 chips.

6 (Laughter.)

7 JUDGE STEINBERG: Okay. Now, you get to ask  
8 cross-examination on that one question.

9 MS. LANCASTER: No, sir.

10 (Laughter.)

11 MS. LANCASTER: I get to ask cross-examination on  
12 all the subjects you let Mr. Pedigo bring up.

13 JUDGE STEINBERG: That was his cross-examination.

14 MS. LANCASTER: So my direct is going to be, so  
15 when I ask these other questions it is going to be  
16 considered my direct?

17 JUDGE STEINBERG: You do not get cross-examination  
18 on the basis of somebody else's cross-examination. That is  
19 the problem coming first.

20 MS. LANCASTER: Your Honor, I just want to point  
21 out that I was limited, very much, in what I was able to ask  
22 originally; and that you showed a lot of leeway in what  
23 Mr. Pedigo was allowed to ask.

24 JUDGE STEINBERG: Now, if you want to ask  
25 permission to recross and nobody objects, then I will see

1 what we will do.

2 MS. LANCASTER: I would like to ask permission to  
3 recross.

4 JUDGE STEINBERG: Anybody object?

5 MR. ROMNEY: No objection, Your Honor.

6 MR. PEDIGO: No objection.

7 JUDGE STEINBERG: Okay. So that solves that  
8 problem.

9 MS. LANCASTER: Thank you.

10 JUDGE STEINBERG: Does anybody need to take a  
11 morning break? Okay, let's go --

12 MR. ROMNEY: How is the witness?

13 THE WITNESS: Okay.

14 JUDGE STEINBERG: Let's go through this, and then  
15 we will break. And then does everybody also agree that this  
16 will be it? And then Mr. Hill will be put on direct  
17 examination by the Bureau?

18 MR. ROMNEY: Yes, sir.

19 JUDGE STEINBERG: Okay.

20 RECROSS-EXAMINATION

21 BY MS. LANCASTER:

22 Q I just have a few questions, Mr. Hill. There was  
23 some discussion with Mr. Pedigo about your report  
24 referencing two different accounting methods that are used?

25 MR. PEDIGO: Objection -- I am sorry.

1 BY MS. LANCASTER:

2 Q One is the accrual method, and one is the cash  
3 flow method. Do you recall the questions that Mr. Pedigo  
4 asked you regarding those two different methods?

5 MR. PEDIGO: Objection, Your Honor. That  
6 misstates the question. I said his report only used the  
7 cash, I did not say it referenced both methods.

8 JUDGE STEINBERG: What we discussed was there were  
9 two methods, the cash method and the accrual method. For  
10 purposes of keeping DLB's books and for doing DLB's tax  
11 returns the accrual method was used.

12 There was also testimony that the other method is  
13 the cash method. Mr. Pedigo pointed out to the witness page  
14 one of his report, the phrase present the cash flows, and  
15 asked the witness to which method of accounting that phrase  
16 referred. The witness stated that it referred to the cash  
17 method.

18 Anybody disagree with my summary?

19 MR. ROMNEY: No, sir.

20 JUDGE STEINBERG: And that is what -- so you may  
21 ask the questions, but you have to premise it with the right  
22 -- I mean, you have to put it in the right box.

23 BY MS. LANCASTER:

24 Q My question was just going to be that I understood  
25 the testimony to be that DLB used, generally used the

1       accrual method of accounting, is that correct?

2           A       Yes, it is.

3           Q       But that in your report you referenced the cash  
4       flows having something to do with the cash method of  
5       accounting. Is that correct?

6           A       Yes.

7           Q       Is there an advantage to combining the accrual  
8       method with the cash flow method?

9           MR. PEDIGO: Objection, Your Honor. That  
10       misstates accounting principles. You do not combine those.

11          JUDGE STEINBERG: Well --

12          MS. LANCASTER: Your Honor, I am not an  
13       accountant.

14          JUDGE STEINBERG: Ms. Lancaster can ask, and then  
15       the witness can answer.

16          MR. PEDIGO: Yes, Your Honor.

17          MS. LANCASTER: I am not an accountant, and I do  
18       not understand this.

19          JUDGE STEINBERG: Okay.

20          BY MS. LANCASTER:

21          Q       So I am asking you, Mr. Hill, to explain it to me,  
22       as a layperson that has no accounting knowledge, what you  
23       meant when you talked about that you referenced the cash  
24       flow method in your report, the first page of your report,  
25       when you had testified that DLB used the accrual method.



1 Can you clarify that for me?

2 A Okay.

3 MR. PEDIGO: Objection. The first page of the  
4 report does not talk about DLB using the accrual method in  
5 this.

6 MS. LANCASTER: His testimony was that they used  
7 it, Your Honor.

8 JUDGE STEINBERG: Okay. I am going to allow the  
9 question. And the question is basically, if DLB used the  
10 accrual method in keeping its books, and if DLB used the  
11 accrual method in doing its tax returns, why did Mr. Hill  
12 apparently use the cash method in compiling the Exhibit  
13 Number 8. And that is the question, and that is a fair  
14 question.

15 MS. LANCASTER: Yes, sir.

16 THE WITNESS: Okay. Like it says in my report  
17 there, this is not intended to be a complete presentation of  
18 the company's revenue and expenses. This report is aside  
19 and separate from it, and really has nothing to do with  
20 financial statements of the company.

21 The statements of the company are prepared on the  
22 accrual method of accounting, as is the tax return.

23 This is a very limited-scope report here, that  
24 only relates to the Allen Repeater revenues and expenses,  
25 and can be completely prepared completely independent of the

1 books of the company. So the fact that the company uses the  
2 accrual method for tax and financial statement purposes  
3 really has nothing to do with this report.

4 MS. LANCASTER: Would the --

5 JUDGE STEINBERG: Well, when you say this report,  
6 you said it a couple times, you are talking about RB/PB  
7 Exhibit 8.

8 THE WITNESS: Yes.

9 JUDGE STEINBERG: Okay. Let me ask you, is it  
10 easier to do a report, such as RB/PB Exhibit 8, by using the  
11 cash flow method than the accrual method?

12 THE WITNESS: One is not necessarily easier than  
13 the other.

14 JUDGE STEINBERG: Okay.

15 BY MS. LANCASTER:

16 Q So why did you do it in the cash method?

17 A I did it based, just simply based on the schedules  
18 that I was provided.

19 Q Would the totals be different had you done it on  
20 the accrual method?

21 A It's possible.

22 Q And you would normally, in the normal course of  
23 business for DLB, your accounting services for them, you  
24 would have prepared reports or ledgers or whatever other  
25 reports that you do using the accrual method. Is that how I

1 understand your testimony?

2 A When we do financial statements for the company,  
3 we definitely use the accrual method. When we do the tax  
4 returns for the company, we definitely use the accrual  
5 method.

6 With respect to this report, Exhibit 8, I would  
7 say, I did not audit the numbers, did not look at the source  
8 documents. I don't know what the revenue numbers represent,  
9 invoices, or if they represent cash payments.

10 Based on the numbers presented, I would say the  
11 difference between the two methods would be immaterial.

12 Q Could the numbers be higher had you used the  
13 accrual method?

14 A They could be higher or lower.

15 Q I believe you testified in response to questions  
16 from Mr. Pedigo that you do not necessarily have to look at  
17 source documents when you prepare schedules or tax returns  
18 for a client. Do you recall that testimony?

19 A Yes.

20 Q Do you normally look at at least some source  
21 documents before you do schedules or reports or tax returns  
22 for your client?

23 MR. PEDIGO: Objection, compound. Each one of  
24 those items has --

25 MS. LANCASTER: Okay, I will ask them all

1 separately, if you prefer.

2 MR. PEDIGO: That is not my preference.

3 BY MS. LANCASTER:

4 Q Do you, would you normally look at at least some  
5 source documents in preparing a schedule for a client?

6 A Depends on the, depends on the engagement.  
7 Depends on what I was engaged to do.

8 Q Explain to me what a schedule, what is a schedule  
9 that you would prepare for a client?

10 A Page two of Exhibit 8 would be a schedule.

11 Q Okay. If you wanted to assure the accuracy of the  
12 information contained in any report or any schedule that you  
13 prepared, would you look at the source documents?

14 A If I were engaged to perform an audit, I would be  
15 looking at some source documents.

16 Q When you prepare a tax return for a client, do you  
17 normally ask to see receipts?

18 A Not always.

19 Q How often?

20 A I couldn't put a percent on, you know, which  
21 percent I do and which percent I don't. It would depend on  
22 the nature of the expenses, the, you know, whether or not  
23 they looked questionable. But, you know, typically I don't  
24 ask to see receipts.

25 Q So if I come to you to do my taxes, you will just

1 accept whatever numbers I put down as being accurate?

2 A If they look reasonable and they were in  
3 compliance with the tax laws, I would accept those. I would  
4 not necessarily go in and add up your receipts, for  
5 instance, to see if they total what you gave me for your  
6 medical expenses.

7 Q Does the IRS not require any receipts when you  
8 send in a tax return?

9 A No. Not when you send in a tax return.

10 Q If it does not look reasonable to the IRS, you  
11 just get audited?

12 A I don't know what goes through their minds, but I  
13 would think that unreasonable numbers could trigger an  
14 audit.

15 Q And sometimes even what you would consider  
16 reasonable numbers can trigger an audit. Is that correct?

17 MR. ROMNEY: Objection, Your Honor. Relevance.

18 JUDGE STEINBERG: Sustained.

19 BY MS. LANCASTER:

20 Q If you had to go in front of the IRS, would you  
21 bring along your receipts?

22 MR. ROMNEY: Objection, Your Honor. Relevance.

23 JUDGE STEINBERG: Well, I think the answer to your  
24 questions has been throughout that Mr. Hill basically cannot  
25 vouch for the accuracy or completeness of the numbers that

1     were given to him by somebody else. That is, I mean, that  
2     is where we are going, that is where we already are. Let's  
3     move to something else. Because we are not moving forward,  
4     we are kind of moving sideways.

5             BY MS. LANCASTER:

6             Q     Mr. Hill, how difficult would it be to determine  
7     the revenues attributable to a particular station? Radio  
8     station operated by DLB.

9             A     I'm not sure how difficult that would be. I don't  
10    know the volume of the source documents related to those  
11    revenues.

12            Q     You have never seen them, is that correct?

13            A     That's correct.

14            Q     How difficult would it be to determine the  
15    expenses associated with a particular station operated by  
16    DLB?

17            A     I would think that the rent expenses would not be  
18    that difficult. That would be a matter of looking at rent  
19    checks, canceled checks. As far as other related expenses,  
20    I don't know how difficult that would be.

21            Q     You have never seen those documents either, is  
22    that correct?

23            A     We do see canceled checks. We get the bank  
24    statements every month; we do see canceled checks.

25            Q     And do you keep a ledger of which ones are

1       attributable to the operation of stations?

2           A       No.

3           Q       I believe Mr. Pedigo asked you a series of  
4       questions about what has been marked RB/PB Exhibit 7. That  
5       is the T-Band 480 megahertz radio repeater service form?

6           A       Yes.

7           Q       Had you ever, up until this time, had you ever  
8       seen this form before?

9           A       Not that I can recall, no.

10          Q       Okay. Did you know how, automatically, how to  
11       interpret the information contained on this form?

12          A       Not without reviewing it. I mean, like I say, I  
13       had not seen the document before, you know. I am familiar  
14       with accounting documents in general, and have done a lot of  
15       auditing; I could probably figure out most of it.

16          Q       But you normally would have somebody explain to  
17       you what the information was supposed to be?

18          A       If I couldn't figure it out on my own, I would.

19          Q       Okay. I believe Mr. Pedigo in the end asked you  
20       if there were additional expenses associated with the Allen  
21       sites, if you had been told about additional expenses, that  
22       you would have included them in your report, Exhibit  
23       whatever we ended up calling it, the report that you just  
24       prepared.

25                   JUDGE STEINBERG: Exhibit 8.

1 MS. LANCASTER: Exhibit 8, I am sorry. I keep  
2 looking at 67, I want to say.

3 THE WITNESS: I don't remember saying that I would  
4 have included them. And I believe the question was what  
5 impact it would have on those numbers if I had been given  
6 additional expenses. And my answer was that additional  
7 expenses would have increased the losses.

8 BY MS. LANCASTER:

9 Q Okay. When Pat Brasher brought these documents to  
10 you, did she indicate to you that these were the expenses  
11 for the Allen sites?

12 JUDGE STEINBERG: If you want to refer to page  
13 three, you can.

14 THE WITNESS: She did.

15 BY MS. LANCASTER:

16 Q And this is all of the expenses that she presented  
17 to you?

18 A These are all the expenses she presented to me.  
19 She didn't indicate if this was all of the expenses, or just  
20 the rent. She didn't indicate either way. Just these were  
21 the expense numbers that she provided.

22 Q That she wanted -- I am sorry.

23 A That she provided to me.

24 Q Okay, that she wanted you to use. Did she tell  
25 you to add the figures up?



1           A     She basically explained to me what she was looking  
2     for. And that was a, some type of schedule that showed the  
3     revenues and expenses, and the profit or loss or the Allen  
4     Repeater for each of the years '96 through 2000.

5           Q     Based upon the information that she was giving  
6     you.

7           A     Yes.

8           MS. LANCASTER: I have no further questions.

9           JUDGE STEINBERG: Okay, let's take a 15-minute  
10    break.

11                (Whereupon, a brief recess was taken.)

12           JUDGE STEINBERG: Back on the record. Ms.  
13    Lancaster.

14                       DIRECT EXAMINATION

15           BY MS. LANCASTER:

16           Q     Mr. Hill, there has been testimony provided in  
17     this hearing by a Jennifer Hill. That is her married name.  
18     I believe her husband's name is Heath Hill. Are you related  
19     in any way to either of them?

20           A     To the best of my knowledge, I am not.

21           Q     Okay. You provided, in response to a subpoena  
22     from me you provided tax returns to me. They are in front  
23     of you. And they include the Brasher 1997, 1998, and 1990  
24     tax returns, and DLB's 1997, 1998, and 1999 tax returns, as  
25     well as two financial statements. One was prepared, the

1 report itself indicates it was prepared on 12/31/98, and the  
2 second indicates it was prepared on 12/31/99. Is that  
3 correct?

4 A Yes. I think you may have said 1990 meaning 1999  
5 on the Brasher's tax return.

6 Q Okay. All of the returns for 1997, 1998, and  
7 1999, all the tax returns. Is that correct?

8 A For the Brashers and DLB Enterprises.

9 Q Yes.

10 A Yes.

11 Q I believe we have, all counsel have agreed to  
12 stipulate to the figures contained in those tax returns.  
13 But I do have one question that we needed to get  
14 clarification from you on.

15 In the Brasher 1999 tax returns there appears to  
16 be a page that contains figures related to tower rents paid  
17 by the Brashers. It actually appears to be a copy of an  
18 adding machine tape which contains figures. And it is  
19 indicated in the report that the numbers on that page are  
20 payments made for tower rents by the Brashers.

21 Do you have any personal knowledge about the  
22 figures listed for tower rents in that 1999 tax return?

23 A What do you mean by personal knowledge?

24 Q How did you get those figures?

25 A They were provided by the client.